

FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD

MEETING MINUTES

**March 21, 2003
Olympia, Washington**

Board members present were Chairman Dan O'Neal, Ms. Pati Otley, Mr. Ross Kelley, Mr. Andrew Johnsen, Mr. Dick Marzano, Ms. Carol Moser, Mr. Don Lemmons, Mr. Doug MacDonald, Mark Asmundson, Mr. Cliff Benson.

WELCOME AND INTRODUCTIONS: Chairman Dan O'Neal welcomed all to the meeting.

MINUTES: *Mr. Andrew Johnsen moved, and Ms. Pati Otley seconded to approve the January 17, 2003 meeting minutes.*

MOTION CARRIED

FMSIB BUDGET: Director Schmidt briefed the board on the FMSIB budget and staff costs. Staff travel has been held to a minimum as well as achieving cost savings in salary, meeting costs, facility and equipment charges. \$100,000 is budgeted for an inter-agency agreement to pay for technical assistance on an as-needed basis, we have saved about \$77,000.00. Audit costs are about \$5,000.00. and we budgeted \$11,000.00 for the Attorney Generals Office but we have not had to use them, extensively, leaving about \$5,554.00 to take us to the end of the biennium. The SFTA study adds \$100,000 to our total and there is an additional \$40,000 for the benchmark analysis, neither of which is a true administration expense. Of the \$717,000.00 appropriation it is anticipated that we will spend about \$628,955.00 with actual administrative expenses projected to be closer to \$488,955.00. We expect to return \$88,000.00 at the end of this biennium.

The director briefed the board on the Union Pacific dollars that are still drawing interest and that FMSIB has approved disbursement of the authorized funding for the South 180th Street project and the South 277th Street project.

The Director reported the Allen Street Bridge project has a \$71,000.00 savings and both the House and Senate Transportation Committee Chairman have been asked if we can use the savings to buy some of the ITS equipment needed for the Duwamish ITS project. The Senate Chairman has agreed to the transfer however we are awaiting a response from the House Chairman. If he has no problem with this transfer, we would proceed with the board approval.

MOTION: *Mr. Cliff Benson moved, and Mr. Don Lemmons seconded that the excess dollars from the Allen Street Project be made available for the Duwamish ITS Project.*

MOTION CARRIED

EXECUTIVE DIRECTORS REPORT: The Director reported that the Annual report has been sent to various interested parties

More than 20 meetings have been held with legislators explaining FMSIB activities and answering questions about consolidation and our current requests before the legislature. Additionally, Board members met with Chairman Ed Murray and Speaker Frank Chopp.

The Director testified in the Senate on the activities of the agency including the issue of consolidation. The committee amended the consolidation bill to exclude FMSIB and passed the

bill from committee. The House hearing focused on the biennial administrative budget and FMSIB reported that they not only operate within their administrative allocation but have under spent every budget since the agency was created.

A delegation supporting the funding of the FAST corridor met with our Congressional delegation or their staff members during a very busy two-day trip to Washington D.C

John Doyle from WSDOT, Mark Hallenbeck and Ed McCormack from TRAC-UW, Tim Ericksen from CVISN, and Eileen Leingang from WSDOT accounting met with the director to work out the final details of the benchmark analysis. WSDOT pledged \$25,000 in Oil Rebate money to partner in this project and the remaining amount will come from savings out of our administrative budget.

The Project Selection Committee met to review some project's data that was either incorrect or had omissions. A full day of interviews with project sponsors took place in SeaTac and the committee developed final recommendations.

The Director reported that the FAST partners received \$10 M as an earmark in the federal transportation budget, which will be available to them shortly. The FAST partners determine how this money is spent and they discussed the options available to them. The net total available is about \$9.4 M (less about \$500k for FAST administrative and \$60k as a takedown amount) The partners agreed to guarantee the D Street project if the legislature fails to fund the project but the decision will require a change in the color of money and would defer work on other FAST projects.

FAST is continuing to seek signers on the MOU so the document can be used to promote FAST II projects. The railroads seem to be the last of the partners to agree to the MOU. Additionally, there has been some progress on the SR 519 (Royal Brougham) project.

The Director reported that we were asked to submit letters of support for two of our projects. Kennewick asked for a letter supporting federal funds supplanting our commitment on Columbia Blvd and WSDOT requested a letter supporting funding for SR 519 (Royal Brougham). We submitted letters to both sponsors.

PROJECT UPDATES: The Director updated the board on FMSIB projects.

California Street is scheduling a ribbon cutting for May 27th. Photos of the Union Gap project were provided to the board. Wine Country Road phase I was completed in 2001, phases 2 and 3 will be completed this summer. South 180th Street is on schedule and under budget with the dedication targeted for July. The SR 432 off ramp is completed but the final billing has not been received. Once final billing has been received, if there are additional funds, we will be asking the board, at the next meeting, to move those dollars into an eligible project if agreed to by with the legislature.

Ms. Pati Otley briefed the board on a very spirited conversation among the 29 people in attendance at the FAST meeting discussing the distribution of \$10 M in federal funding. To access the funds, projects had to be in a certain state of readiness because the funds need to be obligated soon. There were only half a dozen FAST projects that could have been candidates. One of the prime projects that lacks sufficient funding is "D" Street in Tacoma. The group decided to designate up to \$6M of the \$10M to the project if the legislature failed to act and live up to a previous commitment. The remaining dollars are to be used for other FAST projects that are also appropriately poised.

Mr. Cliff Benson reported that the PSRC had also discussed “D” Street and six other projects when they had \$12M to distribute. Pierce County, City of Tacoma and the ports had tried to direct money toward “D” street in their discussions.

Ms. Pati Otley reported that she had attended an SR519 grade separation meeting. Royal Brougham has been a topic of discussion for a year due to opposition from the new mayor of Seattle and the sports interests who have been concerned with the design of the roadway, which goes between the baseball field, the exhibition hall and the football field. The City of Seattle has been trying to respond to concerns and has conducted an extensive traffic analysis. They have been exposing the other partners in the project to the various alternatives. Alternative 4B is probably Seattle’s favored option with 7 also possible. The MOU partners are not in total agreement. The City is going to review concerns and conduct another analysis with those specific options

Mr. Terry Finn from the Port of Seattle stated that the seven design concepts submitted by the city all reduce capacity from the design originally proposed by WSDOT. Additionally, there is concern that the modeling study of capacity hasn’t dealt with the impacts to the surrounding routes if there is reduced capacity over Royal Brougham. Any of the designs being submitted by Seattle would provide less capacity than the WSDOT design. The Port is also concerned with the waterfront area at piers 30, 37 & 46 at the end of Royal Brougham. The port doesn’t see any kind of use that won’t generate increased traffic so a reduced capacity overpass at Royal Brougham and a potential of increased traffic in that area does not seem to match very well. The grade separation and the original couplet idea would provide added capacity to this route and that is not necessarily being achieved by these proposals. The capacity for trucks and the flow of traffic between the waterfront and town is the port’s main concern if it can be done with a good looking design, that is great, but if the aesthetics of design compromise the overpass that is not great. The Port remains concerned with the proposed designs.

Mr. Dave Dye from WSDOT briefed the board on the SR-519 project, and the interests of the different parties. The railroads interest is to have a grade separation to relieve a dangerous situation, and WSDOT’s interest is very closely aligned with the port’s perspective of getting the traffic to the industrial center, moving freight in and out of the port area with access to I-5 and I-90 and also move ferry traffic to the ferry terminal. he goal is to get traffic to its respective areas.

Mr. Larry Pursley representing the Washington Trucking Associations briefed the board on the trucker’s perspective on the SR-519 project. The area is a truck traffic and industrial area but for years it has been increasingly difficult getting to the ports or I-5 and getting out of that area. Freight mobility and business interests need to be elevated. The proposal that WSDOT has put forward with the grade separation is a tremendous step in that direction. If our goal is visually attractive city streets in that area it is going to be at the expense of freight mobility in general.

No city or sports representative attended meeting.

Ms. Moser questioned if when the original EIS was done for the stadium whether all of these issues had come out and how were they able to get permitted to move forward with this project if they did not already have this analysis figured out?

Mr. Terry Finn reminded the board that there was a signed MOU between all the parties. Before the stadium was built, the stakeholders developed a plan. The Port supported the development of the sports stadium at that time because the MOU provided assurance of good access to the waterfront and the Port. Everyone knew that this would not be the prettiest solution given the constraints of the area. The idea that truck traffic and other traffic would be coming off a ramp

between the stadiums was definitely talked about. A meeting that was arranged by WSDOT, with all of the stakeholders in attendance, the Mariners raised the issue that the City of Seattle had never done very much to establish a plaza that was part of the deal and if this element was not going to be carried through than the deal might be broken in some way.

Mr. Doug MacDonald stated that the sports teams never liked this deal and the newly elected mayor indicated that they didn't think the solution was good for transportation and they wanted to review it

CANADIAN BORDER ISSUE: Mr. Mark Asmundson reported that there are substantial problems with the movement of freight at the Canadian Border. While the Pac Hwy is the 3rd busiest crossings between Canada and the United States, the number of daily crossings has dropped from about 1500 trucks a day to about 1000. Part of the drop off has to do with the economy and part with security and the delays involved. The reality is we have a great border crossing system for the 1950's. Improving the crossing by identifying the nature of the problems and trying to find mechanisms to address them is very slow and very problematic especially with two countries involved. Would truckers be willing to pay a modest but reasonable fee for a quick pass through the border? Would this be cheaper considering the typical wait times are 45 minutes to 4.5 hours and the cost to trucks per hour is between \$60-\$90 per hour?

Whatcom County has taken a leadership role, but the State and the Governors office have not played a very big role in this issue. The congressional delegation believe that this is an important issue and they have attempted to insure that adequate resources are available for both staffing and the gradual development of adequate physical facilities. The reality is that since 9/11/01 the situation is just a mess. Ms. Otley stated that the rail crossing at the borders are real problems also and would like to see FMSIB take a closer look to determine if there is a State role with border issues. It was decided that the board should use the July meeting in Bellingham to have a more specific discussion of problems and determine if there was a possible role for the state in the border issues.

PROJECT SELECTION: Mr. Ross Kelley briefed the board on the project selection process. The technical team reviewed applications to determine if projects were on a strategic corridor, if they met our criteria and then scored the 25 projects that were submitted. The project selection committee spent a full day reviewing the initial scoring with representatives from the Trucking Associations, Union Pacific Railroad.

The committee needed additional information, so another full day of review with project proponents was convened. This provided a strong understanding of the full impact of the projects and helped committee members determine how much money FMSIB could provide from the limited resources that might be available. Mr Kelley recommended that the process should be repeated whenever there is a need to select projects.

The committee had some issues that were of concern. Several of the proposals were not stand-alone projects and needed another un-funded project to be functional. This is an issue that will need to be discussed before the next call-for-projects. Another concern that needs to be reviewed is whether the project really benefits freight or economic development, and whether we are helping the community to develop or helping the community to recover from freight impact. We will also need to look at the scoring formula and work with the locals more directly so that the proponents know what we are looking for and the scoring committee will know what the project accomplishes.

The selection committee recommends projects that scored 96 points or higher out of a possible 188 points. While project proponents requested \$206 M, the committee recognized that there would not be that level of funding available so they targeted a \$50M budget for these projects.

The recommended projects with suggested funding by the Project Selection Committee are:

Havana Street / BNSF Grade Separation	Spokane	\$4.M
Cross Base Highway	Pierce County	\$5.M
SR 18 Maple Valley to I-90	WSDOT	\$5.M
Strander Blvd	Renton	\$4.M
Bigelow Gulch	Spokane Co.	\$2.M
M. Street	Auburn	\$6.M
SR 9 / SR 522	WSDOT NWR	\$5.M
Duwamish ITS	Seattle	\$2.8M
70 th and Valley Widening	Fife	\$2.M
Canyon Road Northerly	Pierce Co.	\$3.M
Granite Falls Alternate	Snohomish Co.	\$5.M
East Everett Ave	Everett	\$2.5M
Pacific Hwy / Port of Tacoma	Fife	\$0.75M
SR 202 Corridor Improvement	Woodinville	\$2.50M
East Marginal Way	Port of Seattle	\$0.23M

Ms. Carol Moser commented that it appeared that there was an opportunity to fund some smaller projects, possibly through cost savings from other projects. She suggested that FMSIB should have a special category for some of these really small projects that do a lot of good for the community but do not cost a lot of money. She suggested that FMSIB consider developing a program for smaller projects.

Ms. Otley agreed that it would be a good idea and Mr. Kelley added that some of the projects were a really good buy for the dollars invested.

The Director stated that there were a number of concerns with the current scoring grid including whether there are additional points possible if there is a rail element in your project. This is one reason why the committee doesn't go strictly by the scoring grid. Part of the agenda for the September meeting in the Tri-Cities will be a discussion of the scoring grid, some changes with the application process and a discussion of why some of these projects, that we know are good, are not scoring as well as they should

Ms. Moser also commented that Mr Kelley said that a 25% to 30% contribution for a rail grade separation was fairly consistent with other similar projects, however when you look at the Port of Pasco project, that is not the case. Director Schmidt explained that FMSIB inherited the Pasco project. Mr Kelley was referencing the grade separations that the Board had actually scored.

Mr. Andrew Johnsen asked if the topic of assessing or weighing the value of freight itself, such as hay vs. microchips was discussed. Mr. Kelley stated that would be a data problem and we would not want to pit one supplier against the other. Mr. Don Lemmons stated the cost of transporting either of them is the same from the trucker's perspective.

The list of 15 projects and the recommended amount of \$50 M was presented. The board discussed the project list and the letters of support for various projects.

MOTION: *Mr. Ross Kelley moved, and Ms. Carol Moser seconded to approve the list as presented by the project selection committee.*

MOTION CARRIED

LEGISLATIVE REPORT: Senator Jim Horn Chairman Senate Highways and Transportation gave a presentation on the status of pending transportation legislation.

Chairman Horn commented that it was the intention of the Senate Highways and Transportation Committee to combine TIB and CRAB with a common staff, and while it did not pass the Senate by the cutoff date, it will certainly be in the discussion package but it is the Senate's intent to leave FMSIB to operate as it has been.

Chairman O'Neal thanked Chairman Horn for taking the time out of his busy schedule to join the board to brief them on legislative issues.

BENCHMARKS: Mr. Cliff Benson advised the board that the contract between FMSIB, WSDOT and the University of Washington has been signed by FMSIB and is in the hands of the University for their signature. Mr. Doyle from the WSDOT freight office has pledged oil rebate money toward the analysis. The FHWA has indicated their interest in using our benchmark project as part of their national evaluation process. The security issue and the tracking of cargo are of interest nationally - again we have a high visibility as a state and as an organization.

Mr. John Doyle stated that the smell of accountability is in the air everywhere. He felt that the Department and the Board are somewhat ahead of the curve working toward greater accountability through the use of performance measures and benchmarks.

WSDOT has been tracking several freight measures that have been published in the agency's Gray Book and have to do with cross border volumes, impediments to trucking, how they are doing ITS truck regulations, and vehicle volumes. The Department is not predicting freight rail but are closer to predicting Grain Car and Fruit Express loads which they will report quarterly.

The Department also has their freight measures under development. One measure is truck movement in urban areas. WSDOT plans to fund a proposal from John Niles on how to count, measure and evaluate what is going on in the urban areas. They would like to get the PSRC to partner on this effort because they probably have more knowledge about truck movements in urban areas.

SFTA Strategic Freight Transportation Analysis is developing a lot of data but there has been some concern that the funding wouldn't materialize for the remainder of the project so the Department has a Federal earmark to continue the analysis.

Truck performance measure are under development. Proposals from Mr Doyle and the University of Washington were submitted for consideration. They have gotten together and will come up with a project that will help double performance measures for truck freight movements.

Simultaneously, the university is working with WSDOT congestion management people and traffic engineers in an on-going process to figure out how we to count trucks better and measure their movements using loop detectors and more technical evaluation.

The FMSIB project will begin using up to \$40,000.00 from FMSIB and WSDOT will provide \$25,000.00 after the new biennium begins. The corridors that have been selected initially are Royal Brougham, Kent Valley to the Port of Seattle, Kent Valley to the Port of Tacoma, and Boeing's Fredericksen plant to the Everett Boeing facility. The current plan is to use two

technologies, one using GPS that will be in the vehicle and will be reporting what it's doing, where it's going, and how long it takes. The other technology will be CVISN type technology - transponders that will be read periodically by portable readers. The data will be sent to the University of Washington for evaluation.

Chairman O'Neal asked whether the reason for this was to try to determine the value of the projects we approve, establish benchmarks in certain corridors, and try to determine if the technology will do the job and how to use the data.

Mr. Doyle stated that was the intent. He expressed a concern however. While the Blue Ribbon Commission punted on a freight benchmark, and used references to a benchmark being developed by a future group with FMSIB involved, he is concerned about the board developing freight benchmarks for the state highway system. He doesn't think that's FMSIB's job and believes that is WSDOT's job.

Mr. Benson stated that it is our job to evaluate the data that is presented to us when we get a project for review. Ms. Otley added that our benchmark is project oriented.

Mr. MacDonald observed that there isn't very much information on freight, too much of it is proprietary information, too many kinds of activity, and nobody's collecting it. Freight is a piece of the traffic problem in Washington State. If Boeing can't get parts from Fredericksen to Everett that delay is very expensive - the value of the commodity, the loss of time, the jeopardy to the production schedule. We are seeking to achieve better freight mobility as we try to tease that data out of the general problem of mobility and mobility impacts on the system. The Department needs to have a standard against which our highway system should run.

Mr MacDonald posed a number of questions that would need to be considered. Are we trying to offer people the expectation that all of our highways should be built to a standard where they have free flow all of the time? If we have a benchmark that traffic on the SR 520 bridge should be able to achieve reliable travel time 90% of the time, what does that mean when we translate that to the special problem of the reliability factor that the shipper from Yakima wants so he can get his two trips per day to the Port of Tacoma? Is that a benchmark we want to establish that a guy twice a day could make the trip as a result of either snow or congestion or accidents or what ever? Will we want to replace a rail crossing in Woodinville so it won't have a hang up and what's the value of doing that? While there is a universe of statistics, WSDOT is struggling to figure out how to get data from other people, or filling in some of the gaps where there is a lack of data. The Federal statistics on corridor freight in and out of ports and across the state and country are useful and interesting.

Mr MacDonald asked if FMSIB wants to focus on how to create a benefit/cost parameter for a specific project, which is not going to be easy but is very focused or is FMSIB interested in how the benchmark works for getting those 2 trips a day from apple country to the port? Now is the time to talk about the goals of the benchmark process rather than wonder if we hit it. As for what WSDOT and FMSIB do separately or together, we need a discussion about where we are going.

Chairman O'Neal commented that FMSIB and WSDOT have a common interest, we are not competitors, and so we ought to be thinking how to make these things happen. The Board or the legislature established corridors and somebody should be seeing if these corridors are working right, if they are living up to expectations and if the projects that we are approving make any difference to the corridors. The legislature has the right to ask how money is being spent and if it is doing any good

Mr. Benson stated that what we have going now is an evaluation of some technology to determine if it works or doesn't work and establish a process of data gathering in specific existing corridors or emerging corridors. We are a strategic planning organization and we need to look at what we have and what there should be.

Ms. Moser asked whether the project would give the Board an idea of what kind of improvement will provide the most benefit? Cliff Benson stated that is the intent.

LEGISLATIVE MEETINGS: Ms. Otley briefed the board on the meeting with House Transportation Chairman Ed Murray where she was joined by board members Don Lemmons, Cliff Benson, Dan O'Neal, Dick Marzano, Pati Otley and Director Schmidt. The meeting was positive and a key factor was having freight sector representation at the meeting who could respond to the Chairman's inquiries.

A week later, Ms Otley was joined by Don Lemmons and Pat Jones from the WPPA, in testifying before the Senate Highways and Transportation Committee on the FMSIB/CRAB/TIB consolidation bill. Ms Otley and Mr Lemmons and the Director also met with Speaker Frank Chopp. It too was a positive meeting where he asked FMSIB to get FMSIB's project lists to Chairman Murray.

Chairman O'Neal made brief comment on the FAST Washington D.C. meetings. Meetings were held with the entire delegation or their staffs and other key Congressional Transportation Committee leaders. All indicated that they were committed to helping fund FAST

FUTURE MEETINGS: *Mr. Cliff Benson moved, and Mr. Ross Kelley seconded to approve SeaTac as the May 9, 2003 meeting location.*

MOTION CARRIED

MEETING ADJOURNED: 1:30 PM



A. DANIEL O'NEAL, CHAIRMAN

ATTEST:



KAREN SCHMIDT, EXECUTIVE DIRECTOR